

### **IC 36-7-31.3**

#### **Chapter 31.3. Professional Sports Development Area**

##### **IC 36-7-31.3-1**

###### **Applicability of chapter**

Sec. 1. Except as provided in section 8(b) of this chapter, this chapter applies only to a city or a county without a consolidated city that has a professional sports franchise playing the majority of its home games in a facility owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11. *As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.123.*

##### **IC 36-7-31.3-2**

###### **"Budget agency" defined**

Sec. 2. As used in this chapter, "budget agency" means the budget agency established by IC 4-12-1. *As added by P.L.255-1997(ss), SEC.20.*

##### **IC 36-7-31.3-3**

###### **"Budget committee" defined**

Sec. 3. As used in this chapter, "budget committee" has the meaning set forth in IC 4-12-1-3. *As added by P.L.255-1997(ss), SEC.20.*

##### **IC 36-7-31.3-4**

###### **"Covered taxes" defined**

Sec. 4. As used in this chapter, "covered taxes" means the part of the following taxes attributable to the operation of a facility designated as part of a tax area under section 8 of this chapter:

- (1) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.
- (2) An adjusted gross income tax imposed under IC 6-3-2-1 on an individual.
- (3) A county option income tax imposed under IC 6-3.5.
- (4) Except in a county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000), a food and beverage tax imposed under IC 6-9.

*As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.124.*

##### **IC 36-7-31.3-5**

###### **"Department" defined**

Sec. 5. As used in this chapter, "department" refers to the department of state revenue. *As added by P.L.255-1997(ss), SEC.20.*

##### **IC 36-7-31.3-5.5**

###### **"Designating body" defined**

Sec. 5.5. As used in this chapter, "designating body" means a:

(1) city legislative body; or  
(2) county legislative body;  
that may establish a tax area under this chapter.  
*As added by P.L.178-2002, SEC.125.*

### **IC 36-7-31.3-6**

#### **"Tax area" defined**

Sec. 6. As used in this chapter, "tax area" means a geographic area established as a professional sports and convention development area under section 10 of this chapter.

*As added by P.L.255-1997(ss), SEC.20.*

### **IC 36-7-31.3-7**

#### **"Taxpayer" defined**

Sec. 7. As used in this chapter, "taxpayer" means a person that is liable for a covered tax.

*As added by P.L.255-1997(ss), SEC.20.*

### **IC 36-7-31.3-8**

#### **Establishment of area; facilities; limitations**

Sec. 8. (a) Except as provided in subsection (d), a designating body may designate as part of a professional sports and convention development area any facility that is:

(1) owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used by a professional sports franchise for practice or competitive sporting events; or

(2) owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11, and used as one (1) of the following:

(A) A facility used principally for convention or tourism related events serving national or regional markets.

(B) An airport.

(C) A museum.

(D) A zoo.

(E) A facility used for public attractions of national significance.

(F) A performing arts venue.

(G) A county courthouse registered on the National Register of Historic Places.

A facility may not include a private golf course or related improvements. The tax area may include only facilities described in this section and any parcel of land on which a facility is located. An area may contain noncontiguous tracts of land within the city, county, or school corporation.

(b) Except for a tax area that is located in a city having a population of:

(1) more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000); or

(2) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);

a tax area must include at least one (1) facility described in subsection (a)(1).

(c) Except as provided in subsection (d), a tax area may contain other facilities not owned by the designating body if:

(1) the facility is owned by a city, the county, a school corporation, or a board established under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11; and

(2) an agreement exists between the designating body and the owner of the facility specifying the distribution and uses of the covered taxes to be allocated under this chapter.

(d) In a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), the designating body may designate only one (1) facility as part of a tax area. The facility designated as part of the tax area may not be a facility described in subsection (a)(1).

*As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.126.*

### **IC 36-7-31.3-9**

#### **Establishment of area; time; findings; special taxing district**

Sec. 9. (a) A tax area must be initially established by resolution:

(1) except as provided in subdivision (2), before July 1, 1999; or

(2) in the case of a second class city, before July 1, 2003;

according to the procedures set forth for the establishment of an economic development area under IC 36-7-14. A tax area may be changed or the terms governing the tax area revised in the same manner as the establishment of the initial tax area. Only one (1) tax area may be created in each county.

(b) In establishing the tax area, the designating body must make the following findings instead of the findings required for the establishment of economic development areas:

(1) Except for a tax area in a city having a population of:

(A) more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000); or

(B) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);

there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used by a professional sports franchise for practice or competitive sporting events. A tax area to which this subdivision applies may also include a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a)(2) of this chapter.

(2) For a tax area in a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a) of this chapter.

(3) For a tax area in a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand

(105,000), there is a capital improvement that will be undertaken or has been undertaken in the tax area for a facility that is used for any purpose specified in section 8(a)(2) of this chapter.

(4) The capital improvement that will be undertaken or that has been undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.

(5) The capital improvement that will be undertaken or that has been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(c) The tax area established under this chapter is a special taxing district authorized by the general assembly to enable the designating body to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

*As added by P.L.255-1997(ss), SEC.20. Amended by P.L.174-2001, SEC.13; P.L.178-2002, SEC.127.*

### **IC 36-7-31.3-10**

#### **Resolution; allocation of taxes**

Sec. 10. (a) A tax area must be established by resolution. A resolution establishing a tax area must provide for the allocation of covered taxes attributable to a taxable event or covered taxes earned in the tax area to the professional sports and convention development area fund established for the city or county. The allocation provision must apply to the entire tax area. The resolution must provide the tax area terminates not later than December 31, 2027.

(b) In addition to subsection (a), all of the salary, wages, bonuses, and other compensation that are:

- (1) paid during a taxable year to a professional athlete for professional athletic services;
- (2) taxable in Indiana; and
- (3) earned in the tax area;

shall be allocated to the tax area if the professional athlete is a member of a team that plays the majority of the professional athletic events that the team plays in Indiana in the tax area.

(c) The total amount of state revenue captured by the tax area may not exceed five dollars (\$5) per resident of the city or county per year for twenty (20) consecutive years.

(d) The resolution establishing the tax area must designate the facility or proposed facility and the facility site for which the tax area is established.

(e) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to a tax area.

*As added by P.L.255-1997(ss), SEC.20.*

### **IC 36-7-31.3-11**

#### **Review of resolution by budget committee**

Sec. 11. Upon adoption of a resolution establishing a tax area under section 10 of this chapter, the designating body shall submit the resolution to the budget committee for review and recommendation to the budget agency.

*As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002,*

SEC.128.

### **IC 36-7-31.3-12**

#### **Approval of resolution by budget agency**

Sec. 12. (a) The budget agency must approve the resolution before covered taxes may be allocated under section 10 of this chapter.

(b) When considering a resolution, the budget committee and the budget agency must make the following findings:

(1) The cost of the facility and facility site specified under the resolution exceeds ten thousand dollars (\$10,000).

(2) The capital improvement specified under the resolution is economically sound and will benefit the people of Indiana by protecting or increasing state and local tax bases and tax revenues for at least the duration of the tax area established under this chapter.

(3) The political subdivisions affected by the capital improvement specified under the resolution have committed significant resources towards completion of the improvement.

(c) Revenues from the tax area may not be allocated until the budget agency approves the resolution.

*As added by P.L.255-1997(ss), SEC.20.*

### **IC 36-7-31.3-13**

#### **Notice of adoption of allocation provision**

Sec. 13. When the designating body adopts an allocation provision, the county auditor shall notify the department by certified mail of the adoption of the provision and shall include with the notification a complete list of the following:

(1) Employers in the tax area.

(2) Street names and the range of street numbers of each street in the tax area.

The county auditor shall update the list before July 1 of each year.

*As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.129.*

### **IC 36-7-31.3-14**

#### **Professional sports and convention development area fund**

Sec. 14. If a tax area is established under section 10 of this chapter, a state fund known as the professional sports and convention development area fund is established for that tax area. The fund shall be administered by the department. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

*As added by P.L.255-1997(ss), SEC.20.*

### **IC 36-7-31.3-15**

#### **Deposit of taxes in fund**

Sec. 15. Covered taxes attributable to a taxing area under section 10 of this chapter shall be deposited in the professional sports and convention development area fund.

*As added by P.L.255-1997(ss), SEC.20.*

### **IC 36-7-31.3-16**

#### **Distributions from fund**

Sec. 16. On or before the twentieth day of each month, all amounts held in the professional sports and convention development area fund shall be distributed to the county treasurer.

*As added by P.L.255-1997(ss), SEC.20.*

### **IC 36-7-31.3-17**

#### **Notice of taxes to be distributed to county treasurer or party to agreement under section 8(c) of this chapter**

Sec. 17. The department shall notify the county auditor of the amount of taxes to be distributed to the county treasurer. For tax areas described in section 8(c) of this chapter, the department shall notify the county auditor of the amount of taxes to be distributed to each party to the agreement. The notice must specify the distribution and uses of covered taxes to be allocated under this chapter.

*As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.130.*

### **IC 36-7-31.3-18**

#### **Warrants**

Sec. 18. All distributions from the professional sports and convention development area fund for the county shall be made by warrants issued by the auditor of state to the treasurer of state ordering those payments to the county treasurer.

*As added by P.L.255-1997(ss), SEC.20.*

### **IC 36-7-31.3-19**

#### **Use of funds**

Sec. 19. The resolution establishing the tax area must designate the use of the funds. The funds are to be used only for the following:

- (1) Except in a tax area in a city having a population of:
  - (A) more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000); or
  - (B) more than ninety thousand (90,000) but less than one hundred five thousand (105,000);

a capital improvement that will construct or equip a facility owned by the city, the county, a school corporation, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used by a professional sports franchise for practice or competitive sporting events. In a tax area to which this subdivision applies, funds may also be used for a capital improvement that will construct or equip a facility owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for any purpose specified in section 8(a)(2) of this chapter.

- (2) In a city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000), a capital improvement that will construct or equip a facility owned by the city, the county, a school corporation, or a

board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for any purpose specified in section 8(a) of this chapter.

(3) In a city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000), a capital improvement that will construct or equip a facility owned by the city, the county, or a board under IC 36-9-13, IC 36-10-8, IC 36-10-10, or IC 36-10-11 and used for any purpose specified in section 8(a)(2) of this chapter.

(4) The financing or refinancing of a capital improvement described in subdivision (1), (2), or (3) or the payment of lease payments for a capital improvement described in subdivision (1), (2), or (3).

*As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.131.*

### **IC 36-7-31.3-20**

#### **Repayments to fund**

Sec. 20. The designating body shall repay to the professional sports development area fund any amount that is distributed to the designating body and used for:

- (1) a purpose that is not described in this chapter; or
- (2) a facility or facility site other than the facility and facility site to which covered taxes are designated under the resolution described in section 10 of this chapter.

The department shall distribute the covered taxes repaid to the professional sports development area fund under this section proportionately to the funds and the political subdivisions that would have received the covered taxes if the covered taxes had not been allocated to the tax area under this chapter.

*As added by P.L.255-1997(ss), SEC.20. Amended by P.L.178-2002, SEC.132.*

### **IC 36-7-31.3-21**

#### **Expiration of chapter**

Sec. 21. This chapter expires December 31, 2027.

*As added by P.L.255-1997(ss), SEC.20.*